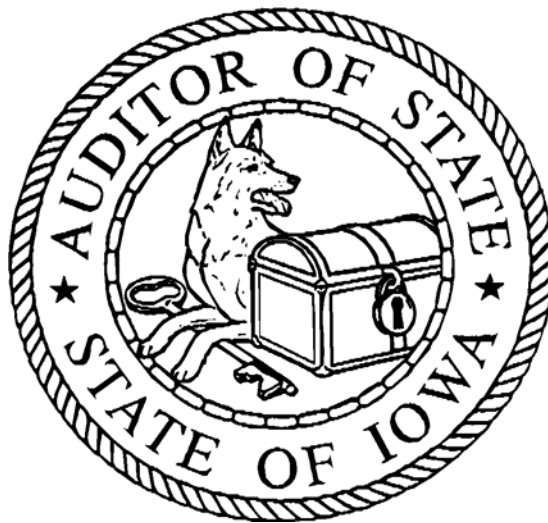


# COUNTY AUDIT PROGRAM GUIDE SUPPLEMENT

For the year ended June 30, 2005



DAVID A. VAUDT, CPA  
AUDITOR OF STATE

**Supplement to County Audit Program Guide**

**June 30, 2005**

For the fiscal year ended June 30, 2005, guidance on changes and updates is provided in this 2005 Audit Program Guide Supplement. This supplement should be used in conjunction with the fiscal 2004 Audit Program Guide previously issued by this office.

Also, the 2004 Audit Program Guide previously issued by this office has several references to GASB 34 implementation. This language was not amended with this supplement since some governments may not have implemented or did not fully implement GASB 34 in prior years.

COUNTY \_\_\_\_\_

June 30, 2005

**AUDIT PLANNING**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<b><i>GF-1.2 - Insert the following procedure and renumber other steps as appropriate:</i></b>  F. Inquire as to the existence of any attestation engagements, performance audits, or other studies (for example – Federal audits, program audits, IT audits, reviews by state agencies, etc.) that have been performed and determine the current status of any findings or recommendations identified that may directly affect the risk assessment and audit procedures in planning the current audit. (GAS Chapter 4.15)  <b><i>GF-1.7 - Insert the following procedure and renumber other steps as appropriate:</i></b>  Z. Document the auditor's consideration of the risk of material misstatement due to abuse. If indications of abuse exist, plan audit procedures to determine whether abuse has occurred and the effect on the financial statements. (GAS Chapter 4.17b)	<b>A, D</b>				

COUNTY \_\_\_\_\_

**PLANNING CONFERENCE ENTRANCE -**  
**BOARD OF SUPERVISORS/COUNTY AUDITOR**ItemsDiscussion***GF 2.2 – Insert revised step F.1. as follows:***Discussed?

F. Auditor's responsibilities for:

1. Obtaining an understanding, testing and reporting on internal controls and compliance with laws and regulations (discussion of par. 4.12 and 4.13 of Government Auditing Standards may be helpful).

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COUNTY \_\_\_\_\_

**PLANNING CONFERENCE**  
**ENTRANCE - COUNTY TREASURER**Items***GF-2.7 - Insert revised step F.1. as follows:***

F. Auditors responsibilities for:

Discussed

1. Obtaining an understanding, testing and reporting on internal controls and compliance with laws and regulations (discussion of par. 4.12 and 4.13 of Government Auditing Standards may be helpful).

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COUNTY \_\_\_\_\_

June 30, 2005

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><b><u>TRIAL BALANCE</u></b></p> <p><b><i>GF-9.1 – Insert the following procedure in C.2. and renumber other steps as appropriate:</i></b></p> <p>2. Determine amounts due to/from Agency Funds are eliminated and recorded as cash adjustments.</p> <p><b><i>GF-9.2 – Delete procedure H.5. and renumber other steps as appropriate.</i></b></p> <p><b><u>GENERAL LEDGER</u></b></p> <p><b><i>GF-9.4 – Insert revised procedure A.11. as follows:</i></b></p> <p>11. Determine that a Special Revenue Fund and an Agency Fund have been established for the County Recorders Electronic Transaction Fee as required by Chapter 331.605C of the Code of Iowa.</p> <p><b><i>GF-9.5 – Insert procedure 17.d. as follows:</i></b></p> <p>d. Determine whether cash on hand balances in the TIF funds at December 1 are credited against total outstanding TIF debt before completing the certificate.</p> <p><b><i>GF-9.5 – Insert procedure A.19. as follows:</i></b></p> <p>19. Determine if the County acts as a protective payee or conservator on behalf of others. (Auditor may need to inquire of various departments such as County Auditor, County Treasurer, Board of Supervisors, General Relief or Central Point of Coordination office).</p> <p>a. Review the internal controls over the accounts for sufficiency.</p> <p>b. Obtain a listing of the account(s) activity and balances for the year for inclusion as an Agency Fund in the County's financial statements.</p> <p>c. Confirm bank account balances at year-end.</p> <p>d. Perform tests of the deposits and expenditures as appropriate.</p> <p>e. On a test basis, review the files maintained for each individual and determine if appropriate supporting documentation exists to support expenditures made from the account(s).</p> <p><b><i>GF-9.5 – Insert procedure A.20. as follows:</i></b></p> <p>20. Determine inmate room and board collections are credited to the General Fund and adequate records are maintained for use of the funds to document compliance with Chapter 356.7(5) of the Code of Iowa. Unspent balances, if any, should be tracked since the funds are restricted and cannot be used for any General Fund purpose.</p>					

COUNTY \_\_\_\_\_

June 30, 2005

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><b>GF-9.5 – Insert procedure A.21. as follows:</b></p> <p>21. If applicable, determine any funds maintained for County Sheriff reserve peace officers are accounted for in a Special Revenue Fund. (Chapter 80D.11 of the Code of Iowa defines such officers as employees of the governing body).</p> <p><b>CASH</b></p> <p><b>GF-9.10 – Insert procedure C.5.j. as follows:</b></p> <p>j. For cancelled checks retained electronically, determine both the front and back of the check is retained in accordance with Chapter 554D.114(5) of the Code of Iowa.</p> <p><b>INVESTMENTS</b></p> <p><b>GF-9.14 – Insert revised procedure D.1.e. as follows:</b></p> <p>e. Interest earned on the County Recorders Electronic Transaction Fee Fund (both Special Revenue and Agency Fund) is credited to each fund by the Treasurer on behalf of the Recorder in accordance with Chapter 331.605C of the Code of Iowa.</p> <p><b>GF-9.14 – Insert revised procedure G. as follows:</b></p> <p>G. Document investment information for footnote disclosure in accordance with GASB 40 as follows:</p> <ol style="list-style-type: none"> <li>1. Investments on hand at June 30 should be listed by type and include maturities.</li> <li>2. Include the appropriate disclosures for the applicable risks: <ol style="list-style-type: none"> <li>a. Credit risk</li> <li>b. Custodial credit risk</li> <li>c. Concentration of credit risk</li> <li>d. Interest rate risk</li> <li>e. Foreign currency risk</li> </ol> </li> </ol> <p><b>CURRENT LIABILITIES</b></p> <p><b>GF-9.26 – Insert revised procedure A.1.g. as follows:</b></p> <p>g. Matured portion of accrued compensated absences for governmental funds.</p>					

D

COUNTY \_\_\_\_\_

June 30, 2005

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<b><u>LONG-TERM DEBT</u></b>					
<b><i>GF-9.29 – Insert revised procedure A.1.e. as follows:</i></b>					
e. Compensated absences:					
1) portion due within one year					
2) portion due after one year					
<b><i>GF-9.31 – Insert revised procedure E.4. as follows:</i></b>					
4. Distinguish between:	<b>E</b>				
a. Matured portion for retirement or resignation not paid at June 30 for governmental funds.					
b. Long-term portion					
1) due within one year					
2) due after one year					
<b><i>GF-9.32 – Delete procedure E.6.d.</i></b>					
<b><u>RECEIPTS/REVENUES</u></b>					
<b><i>GF-9.41 – Insert revised procedures B.1.and 2. as follows:</i></b>					
B. Other County Taxes	<b>A, B, C, D</b>				
1. Determine that local option tax receipts were expended in accordance with local provisions. Obtain a copy of the ballot authorizing the local option tax.					
2. Determine that hotel/motel tax receipts were expended in accordance with Chapter 423A.2(4) of the Code of Iowa.					
<b><i>GF-9.42 – Insert revised procedure E. as follows:</i></b>					
E. Determine whether sales tax was collected on the appropriate transactions and remitted to the Iowa Department of Revenue in accordance with Chapters 423.2 and 423.3 of the Code of Iowa.					
<b><u>DISBURSEMENTS/EXPENDITURES/EXPENSES</u></b>					
<b><i>GF-9.47 – Insert procedure B.1.p. as follows:</i></b>					
p. Real property acquired for an urban renewal project was acquired in accordance with Chapter 403.5(4) of the Code of Iowa and after the Board approved the urban renewal project.					



COUNTY \_\_\_\_\_

June 30, 2005

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p><b>GF-9.48 – Insert revised procedure B.2.d.2) as follows:</b></p> <p>2) For contracts for road or bridge construction work where the engineer's estimate exceeds the amount authorized by the bid threshold committee per Chapter 314.1B of the Code of Iowa (\$65,000 effective 1-1-03 and \$67,000 effective 1-1-05).</p> <p><b><u>PAYROLL</u></b></p> <p><b>GF-9.51 – Insert revised procedure N. as follows:</b></p> <p>N. For Counties having a population of 200,000 or less, determine that the annual salary of the full-time County Attorney is between forty-five percent and one hundred percent of the annual salary received by a District Court Judge as provided by Chapter 331.752(5) of the Code of Iowa. (\$112,010 from July 1, 2004 to June 30, 2005.)</p> <p><b>GF-9.52 – Insert revised procedure Q. as follows:</b></p> <p>Q. For counties having a population of 200,000 or less, determine that the Assistant County Attorneys are paid less than 85% of the maximum annual salary of a full-time County Attorney as provided by Chapter 331.757 of the Code of Iowa. (This means that any Assistant County Attorney can earn up to 85% of the District Court Judge's salary which is \$112,010 from July 1, 2004 to June 30, 2005.)</p> <p><b><u>BUDGETS</u></b></p> <p><b>GF-9.56 – Insert revised procedure G. as follows:</b></p> <p>G. Determine whether amounts reported on the Tax Increment Debt Certificate represent outstanding loans, advances, indebtedness or bonds which qualify for payment from County TIF revenues in accordance with Chapter 403.19(5) of the Code of Iowa and whether the certificate was filed by December 1.</p> <p><b><u>SINGLE AUDIT</u></b></p> <p><b>GF-9.64 – Insert revised procedure A.6. as follows:</b></p> <p>6. GAO <u>Government Auditing Standards</u> (the Yellow Book), 2003 revision.</p>					

**COUNTY** \_\_\_\_\_**June 30, 2005****INDIVIDUAL OFFICES**  
**(City) (County) Assessor**

<b>PROCEDURE</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<p><b><i>JJ-2.2 – Insert procedures 2. and 3. and renumber other steps as appropriate.</i></b></p> <p>2. Determine disbursements from the Special Appraisal Fund are limited to employment of appraisers or other technical or expert help to assist in the valuation of property not under the direction of the County Assessor in accordance with Chapter 441.50 of the Code of Iowa and an Attorney General Opinion dated November 2, 1962.</p> <p>3. Determine transfers made from the Special Appraisal Fund to the Assessment Expense Fund were limited to:</p> <p>a. Amounts reimbursing the Assessment Expense Fund for disbursements made for special appraisal purposes as defined in Chapter 441.50 of the Code of Iowa.</p> <p>b. Unexpended balances remaining in the Special Appraisal Fund that were previously levied for allowable special appraisal projects (and not levied to supplement the Assessment Expense Fund).</p>				

**COUNTY** \_\_\_\_\_**June 30, 2005****OPINION, DISCLOSURE AND  
OTHER REPORT INFORMATION*****GF-17.1 – Insert revised form as follows:*****A. Independent Auditor's Report on the financial statements:**

1. Type of opinion rendered for each opinion unit and reason for modification of opinion, if applicable :

<input type="checkbox"/> Governmental Activities	U	Q	D	A
<input type="checkbox"/> Business Type Activities	U	Q	D	A
<input type="checkbox"/> Major Fund – General	U	Q	D	A
<input type="checkbox"/> Major Fund – Mental Health	U	Q	D	A
<input type="checkbox"/> Major Fund – Rural Services	U	Q	D	A
<input type="checkbox"/> Major Fund – Secondary Roads	U	Q	D	A
<input type="checkbox"/> Major Fund – Debt Service	U	Q	D	A
<input type="checkbox"/> Major Fund – Capital Projects	U	Q	D	A
<input type="checkbox"/> Additional Major Fund -	U	Q	D	A
<input type="checkbox"/> Additional Major Fund -	U	Q	D	A
<input type="checkbox"/> Aggregate Remaining Fund Information	U	Q	D	A
<input type="checkbox"/> Aggregate Discretely Presented Component Units	U	Q	D	A

2. Reliance on opinion of other auditors properly included in the Independent Auditor's Report

Y   N   N/A

3. Supplemental information accompanying basic financial statements (AU 551) (check applicable):

- ☐ Include "in relation to" opinion.
- ☐ Disclaim opinion on unaudited information.
- ☐ Prior year information audited by whom and type of opinion(s) rendered (for multiple opinions, please describe in the space below):

☐ 2004      AOS      Other auditors      U      Q      D      A

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☐ 2003      AOS      Other auditors      U      Q      D      A

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☐ 2002      AOS      Other auditors      U      Q      D      A

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COUNTY \_\_\_\_\_

June 30, 2005

**OPINION, DISCLOSURE AND  
OTHER REPORT INFORMATION****GF-17.3 – Insert revised form as follows:**

Y = Yes N = No N/A = Not Applicable
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C. IAR on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards:

1. Instances of material non-compliance	<u>Y</u> <u>N</u>	<u>GF-12's</u>
2. Instances of non-material non-compliance	<u>Y</u> <u>N</u>	<u>GF-12's</u>
3. No instances of non-compliance	<u>Y</u> <u>N</u>	<u>GF-12's</u>
4. Reportable Conditions	<u>Y</u> <u>N</u>	<u>GF-12's</u>
5. Material Weaknesses	<u>Y</u> <u>N</u>	<u>GF-12's</u>

D. IAR on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133:

1. Instances of non-compliance	See next page	
2. Reportable Conditions	<u>Y</u> <u>N</u>	<u>GF-12's</u>
3. Material Weaknesses	<u>Y</u> <u>N</u>	<u>GF-12's</u>

E. Because this audit is being conducted under Chapter 11 of the Code of Iowa, Government Auditing Standards and OMB Circular A-133, users of the report are presumed to be aware of the conditions under which the report is issued, including the requirement of state law that requires the report to be open to the public.

F. Dollar threshold used to distinguish between Type A and Type B programs	\$ _____	<u>GF-1's</u>
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G. County qualified as low-risk auditee	<u>Y</u> <u>N</u>	<u>GF-1's</u>
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**COUNTY** \_\_\_\_\_**June 30, 2005****OPINION, DISCLOSURE AND  
OTHER REPORT INFORMATION**  
**SINGLE AUDIT*****GF-17.7 – Insert revised form as follows:*****NOTIFICATION LETTERS** – The following entities are required to receive an audit notification:

All pass-through entities not required to receive a copy of the reporting package (see previous page).

Circle applicable agencies:

Iowa Dept of Public Safety  
Wallace State Office Building  
LOCALGovernor's Office on Drug Control Policy  
Lucas State Office Building  
1<sup>st</sup> Floor  
LOCALIowa Dept of Human Services  
Division of Fiscal Management  
1<sup>st</sup> floor  
Hoover State Office Building  
LOCALIowa Dept of Education  
Grimes State Office Building  
LOCALIowa Dept of Public Health  
Lucas State Office Building  
LOCALIowa Dept of Natural Resources  
Wallace Building  
LOCALIowa Dept of Elder Affairs  
Clemens Building  
LOCALIowa Dept of Economic Development  
200 East Grand  
Des Moines, IA 50309Iowa Dept of Transportation  
Attn. Tom Devine  
800 Lincoln Way  
Ames, IA 50010Iowa Dept of Public Defense  
Emergency Management Division  
Hoover Building  
LOCAL

List other agencies and their addresses:

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**COUNTY** \_\_\_\_\_**June 30, 2005****INCHARGE REVIEW QUESTIONNAIRE**

<b>QUESTION</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
<p><b><i>GF-22.1 – Insert revised question 4. as follows:</i></b></p> <p>4. Are you satisfied that the evidence gathered does not disclose suspicion of abuse, fraud, violations of statutory, regulatory and contractual provisions, or other illegal acts other than those noted in the statutory comments of the report?</p>			